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(This letter is being submitted as an ex-parte communication Re: In the Matter of Review of Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers and Implementation of the Local Competition Provisions in the Local Telecommunications Act of 1996, CC Docket No. 01-338; 96-98; 98-147)

February 12, 2003

The Honorable Michael K. Powell
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Dear Chairman Powell.

As the FCC completes its Triennial Review of the Telecom Act of 1996, the future of local phone competition is in serious jeopardy, while consumers and small businesses are left treading in uncertain waters. On behalf of the James Madison Institute, I urge the Federal Communications Commission (FCC) to stand up for competition and support state authority in the telecommunications industry, by enforcing the market opening provisions of the Telecom Act.

As you know, the Telecom Act of 1996 provided that the Bell monopolies must lease capacity to competitors on their publicly subsidized networks. In states where the Unbundled Network Element-Platform (UNE-P) has been allowed to work, consumers have begun to reap the benefits of competition — lower prices and better service.

It is our view that the FCC should not be changing the agreed upon bi-partisan rules reflected in the Telecom Act, nor should the Commission be considering usurping the power of state utility commissions to establish policies they believe will result in a competitive landscape for their residents. We believe that state commissions are in the best position to enforce and maintain the UNE-P requirements and uphold the Telecom Act, relative to the individual state's telecommunications market. UNE-P is an essential instrument in stimulating competition in local phone service, and should be lauded, not abolished. If UNE-P were eliminated at this point, the telecommunications industry would find itself in turmoil and competition would become non-existent.

The FCC should uphold the Telecommunications Act of 1996 by maintaining the UNE-P component for the different states. I urge you to support the ideals of federalism and preserve local phone competition through the current UNE-P structure.

Sincerely,



Peter Schorsch
Senior Writer and Policy Analyst

Cc: All Commissioners